

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEL AV 01163 171452Z

44

ACTION ORM-02

INFO OCT-01 EUR-12 NEA-10 IO-11 ISO-00 DHA-02 VO-03 SCA-01

INSE-00 AID-05 L-03 OMB-01 TRSE-00 SP-02 /053 W

----- 116874

R 171358Z FEB 76

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC PRIORITY 217

INFO AMEMBASSY ROME PRIORITY

AMEMBASSY MOSCOW

/AMEMBASSY BRUSSELS 390

USMISSION GENEVA

AMCONSUL FRANKFURT

LIMITED OFFICIAL USE TEL AVIV 1163

ROME FOR INS, TOM BROBSON

E.O. 11652: N/A

TAGS: SFREF, UR

SUBJECT: REPAYMENT OF LOANS BY REFUGEES EX-USSR

REF: STATE 031241

1. SUMMARY SOVIET IMMIGRANTS "BORROW" JEWISH AGENCY FUNDS FROM USG GRANT TO FINANCE TRANSPORTATION AND SETTLING-IN EXPENSES. THEY ARE REQUIRED TO SIGN PROMISORY NOTES FOR THESE LOANS WHICH BEAR NO-INTEREST AND HAVE NO MATURITY. HHOWEVER, IF SOVIET IMMIGRANTS REMAIN IN ISRAEL FOR FIVE YEARS, LOANS ARE FORGIVEN. IF THEY DEPART ISRAEL PERMANENTLY BEFORE FIVE YEARS, THEY MUST SETTLE THESE LOANS BEFORE LEAVING.END SUMMARY.

2. EMBOFF DISCUSSED QUESTIONS RAISED REFTEL WITH Y.M. GALADI, DIRECTOR-GENERAL, FINANCE DEPARTMENT, JEWISH AGENCY; SELIG CHINITZ, RESIDENT REPRESENTATIVE, UNITED ISRAEL APPEAL; AND SHMUEL ADLER, DIRECTOR OF PLANNING DEPARTMENT, AND ECONOMIC DVISOR MINISTRY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEL AV 01163 171452Z

OF IMMIGRANT ABSORPTION. THEY DESCRIBED FIK4;8-)

OBLIGATIONS AS FOLLOWS.

3. SOVIET IMMIGRANTS RECEIVE PREFERENTIAL TREATMENT FROM JEWISH AGENCY IN THAT THEIR LOANS ARE FOREGIVEN IF THEY REMAIN IN ISRAEL FOR FIVE YEARS. ALL OTHER IMMIGRANTS HAVE TO REPAY THEIR RE-SETTLEMENT LOANS, WHICH COVER: TRANSPORTATION TO ISRAEL; POCKET MONEY; ROOM AND BOARD AT ABSORPTION CENTER FOR MAXIMUM OF SIX MONTHS; EQUIPMENT AND FURNISHINGS FOR ESTABLISHING A HOUSEHOLD; AND TRANSPORTATION OF PERSONAL EFFECTS, PLUS INSURANCE ON THEM. ALL IMMIGRANTS RECEIVING THESE LOANS MUST SIGN PROMISORY NOTE WHICH IS INTEREST-FREE, HAS NO REPAYMENT SCHEDULE, AND IS NOT LINKED TO COST OF LIVING INDEX. HOWEVER, SOVIETS DO NOT HAVE TO REPAY IF THEY REMAIN IN ISRAEL FIVE YEARS. FORGIVABLE LOANS COVER EXPENSES FINANCED UNDER THE USG GRANT FOR RESETTLEMENT OF SOVIET REFUGEES. ALL NEW IMMIGRANTS MAY BUY CARS AND HOUSEHOLD EQUIPMENT FREE OF ALMOST ALL TAX.

4. IF SOVIET IMMIGRANT WISHES TO TRAVEL BEFORE FIVE YEARS AFTER ARRIVAL IN ISRAEL, HE MAY EITHER (A) REPAY LOAN, WITH 20 PERCENT DISCOUNT IF PAID IN CASH, OR (B) ARRANGE FOR GUARANTOR WHO SIGNS AN INTEREST-FREE, UNLINKED NO-TERM NOTE. ONE OFFICIAL TOLD EMBOFF QUOTE OFF-THE-RECORD UNQUOTE THAT IMMIGRANT'S TRAVEL IS CONTROLLED BY FACT THAT WHEN THEY APPLY EITHER FOR PASSPORT OR LAISSEZ PASSER, MINISTRY OF INTERIOR NOTIFIES BOTH MINISTRY OF IMMIGRANT ABSORPTION AND JEWISH AGENCY OF FACT. LATTER THEN ATTEMPTS TO ASCERTAIN WHETHER OR NOT IMMIGRANT IS INTENDING TO DEPART PERMANENTLY. IF SO, JEWISH AGENCY AND MINISTRY ARRANGE FOR PAYMENT OF DEBT. HOWEVER, SYSTEM IS NOT FOOLPROOF BECAUSE IMMIGRANT COULD APPLY FOR PASSPORT OF LAISSEZ PASSER BEFORE SIGNALLING HIS INTENTION TO DEPART ISRAEL PERMANENTLY. ONCE HE HAS TRAVEL DOCUMENT, HE COULD THEN PROCEED TO MAKE PLANS FOR PERMANENT DEPARTURE AND ACTUALLY DEPART WITHOUT REPAYING DEBT TO JEWISH AGENCY.

5. FOLLOWING IS ROUGH ESTIMATE BY JEWISH AGENCY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TEL AV 01163 171452Z

OFFICIAL OF WHAT A TYPICAL SOVIET IMMIGRANT FAMILY OF FOUR ACTUAL AVERAGE IS 3.2) WOULD OWE AFTER SETTLING IN ISRAEL:

(ALL FIGURES IN ISRAEL POUNDS (IL) - PRESENT EXCHANGE RATE IL 7.38 PER DOLLAR)

TRANSPORTATION TO ISRAEL IL 3,000
SUBSISTENCE AT ABSORPTION CENTER 3,000

POCKET MONEY	500
EQUIPMENT AND FURNITURE TO	
SET UP A HOUSEHOLD	1,000
TRANSPORTATION OF PERSONAL	
EFFECTS AND INSURANCE THEREON	3,000
TOTAL	IL 10,50

6. SOVIET IMMIGRANTS MAY ALSO RECEIVE LOANS TO BUY HOUSING, ESTABLISH A BUSINESS, OR SET P A PROFESSIONAL PRACTICE. THEY HAVE LEGAL OBLIGATION TO SETTLE THESE LOANS BEFORE THEY MAY DEPART ISRAE PERMANENTLY.

7. GALADI EXPLAINED THAT PHILOSOPHY/PSYCHOLOGY OF JEWISH AGENCY IN REQUIRING IMMIGRANTS TO REPAY LOANS HAS ITS ROOTS IN JUDAISM WHEREIN ONE SHOULD HELP A MAN TO HIS FEET AND ENCOURAGE HIM TO WALK BUT NOT BE REQUIRED TO CARRY HIM INDEFINITELY. SINCE LAONS CARRY NO INTEREST AND ARE NOT LINKED TO THE COST OF LIVING, THEY ARE VERY SOFT LOANS INDEED, GIVEN ISRAEL'S HIGH INFLATION RATES. MOREOVER, PROMISORY NOTES CARRY NO MATURITY DATE IN ORDER TO PROVIDE JEWISH AGENCY WITH ADMINISTRATIVE FLEXIBILITY IN DEALING WITH INDIVIDUAL CASES.

TOON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JEWS, REFUGEE RESETTLEMENT, EMIGRANTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TELAV01163
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760059-0031
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760242/aaaabksv.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ORM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 31241
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by greeneet>; APPROVED <01 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REPAYMENT OF LOANS BY REFUGEES EX-USSR
TAGS: SREF, UR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006